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KEY FIGURES

POPULATION	40.4 million
GDP	$16.2 billion
GNI PER CAPITA	$1,200 (PURCHASING POWER PARITY)
LIFE EXPECTANCY	52 years

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TANZANIA

COUNTRY BRIEF

THE WORLD BANK

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Tanzania is performing well in several areas . . .

- Tanzania has made remarkable progress in increasing primary school net enrollment in the past several years, from 59 percent in 2001 to more than 84 percent in 2007.
- Economic performance in Tanzania has been solid in recent years, with high levels of growth, steadily increasing levels of exports, and significant financial deepening. In terms of growth, Tanzania has been one of the fastest-growing nonoil economies in Sub-Saharan Africa.
- Incidence of child mortality in Tanzania has dropped significantly in recent years as progress has been made in decreasing the prevalence of malaria, diarrhea, and respiratory complications.
- Tanzania's tourism industry has been a source of dynamism over the past decade, growing from 7.5 percent of GDP in 1995 to 16 percent in 2004. The government estimates that tourism revenue rose to just more than $1 billion in 2007 and $1.2 billion in 2008.
- Tanzania's financial sector has deepened in recent years. Credit to the private sector in particular has grown rapidly in comparison with comparator countries, though starting from a lower level.
- FDI flows to Tanzania are greater than to other East African Community countries and expanded each year between 2003 and 2006.
- International debt reduction initiatives have allowed Tanzania to dramatically reduce its external debt, from 77 percent of gross national product (GNP) in 2000 to 34 percent in 2006.

. . . yet major development challenges remain

- As measured by international poverty lines, Tanzania has the highest rate of extreme poverty in the world, with 88.5 percent of the population subsisting on less than $1.25 per day and 96.6 percent on less than $2 per day.
- Life expectancy in Tanzania improved by a mere year-and-a-half between 1980 and 2005, following a decline during the 1990s. In recent years, the combined impact of HIV/AIDS and malaria are the main reason for the stagnation (though malaria has been on the decline).
- Tanzania continues to have a significantly higher-than-average rate of maternal mortality among Sub-Saharan African countries, with 950 women dying per 100,000 live births as of 2005.
- While Tanzania's openness to international trade has allowed it to fare better than several of its neighbors in facing severe food shocks, low labor and land productivity constrain the ability of agriculture, in which approximately 80 percent of the labor force works, to contribute meaningfully to poverty reduction.
- Access to electricity in Tanzania is extremely low. Nationally, electricity coverage is about 10 percent of the population—and only 2 percent in rural areas. Energy accounts for more than half of companies' costs, and power outages are more common than in comparator countries.
- Although Tanzania has made efforts to improve its governance and business environment in recent years—opening the economy to more foreign investment, clamping down on corruption from a legal perspective, and encouraging lending to the private sector—restrictions to doing business in the country are still pervasive.
- Tanzania has some of the poorest infrastructure indicators in the world. Aging, underfunded road and rail systems lead to increased producer prices, lengthened supply chains, and export constraints for the private sector and reduced access to social services for the population at large. A mere 9 percent of roads were paved as of 2003, a metric that compares poorly with those in other low-income countries.
- Access to finance remains low. Just 10 percent of the population had access to formal financial services as of 2007, up from 6.4 percent in 2001.